

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 868 - HB 1130**

May 3, 2021

**SUMMARY OF ORIGINAL BILL:** Extends, from 10 to 30, the number of days in which a notice must be filed after to appeal an order denying or granting class action certification.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (008117):** Deletes all language after the enacting clause. Creates a statewide chancery court of original jurisdiction comprised of three chancellors, representing each grand division, to adjudicate cases that are challenging the constitutionality of state statutes, include claims for declaratory judgment or injunctive relief and are brought against the state, a department, agency, or commissioner acting in official capacity. Initiates terms beginning October 1, 2021.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures – \$847,700/FY21-22  
\$1,094,900/FY22-23 and Subsequent Years**

Assumptions for the bill as amended:

- The creation of the chancery court would necessitate expenditures for three chancellors, a legal secretary, a Clerk and Master, as well as three deputy clerks.
- There will be a recurring expenditure of \$1,047,865 in salary and benefits for those eight positions.
- The Administrative Office of the Courts reimburses judicial branch officials for travel in the performance of their duties.
- The number of cases that will require the three-judge panel annually is estimated to be approximately 70, with each case varying in time length. It is estimated that travel reimbursement for three judges will exceed \$20,000 annually.
- Per the language of the legislation, as amended, the newly created court shall sit in the supreme court buildings in Knoxville, Nashville, and Jackson, unless a location is otherwise designated by the Supreme Court. Therefore, additional expenditures for office space is not required.
- There will further be various recurring office expenses for printing, supplies, legal subscriptions, communications etc., estimated to be \$27,000 each year.

- There will further be one-time costs, including books, furniture, computers, etc., estimated to be \$26,600 in FY21-22.
- As this legislation is effective beginning October 1, 2021, there will a 75 percent impact in FY21-22. The increase in state expenditures in FY21-22 will be \$847,749  $\{[(\$1,047,865 + \$20,000 + \$27,000) \times 75\%] + \$26,600\}$ .
- The recurring increase in state expenditures from the General Fund in FY22-23 and subsequent years will be \$1,094,865  $(\$1,047,865 + \$20,000 + \$27,000)$ .
- One panel judge must be from each grand division of the state.
- Per the language of this legislation, each chancellor will be appointed with initial terms to begin October 1, 2021. After the initial appointment, the three chancellors will be subject to an election which will occur during the normal election cycle. Statewide political parties will nominate their candidates by vote. This will not result in a significant increase in local expenditures.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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